

April 28, 2022

Daniel Takami
Grand Island Resources, LLC
12567 West Cedar Dr
Lakewood, CO 80228

RE: Cross Gold Mine, Permit No. M-1977-410, Technical Revision No. 10 (TR-10), Adequacy Review No. 4

Mr. Takami:

The Division of Reclamation, Mining and Safety (DRMS/the Division) has completed its review of your adequacy response submitted on April 28, 2022 for Technical Revision No. 10 (TR-10). After reviewing the materials submitted, DRMS has identified the following adequacy item(s) that must be addressed before an approval of TR-10 can be issued:

- 1) In its response to Item #1, the operator states that waste characterization analysis will be performed on the fines (in the temporary backwash tank) to determine the means of disposal. Please commit to providing DRMS with these sampling results and the chosen disposal location once this information is available.
- 2) DRMS has revised its bond estimate for the proposed water management and treatment program per the additional information provided (see enclosed estimate), with a revised total amount of \$180,939.00. Because the operator has already posted an interim financial warranty of \$162,841.00 for water treatment, the additional required financial warranty for TR-10 approval will be in the amount of \$18,098.00.

This completes the Division's 4th adequacy review of the materials submitted for TR-10. The decision date for TR-10 is set for **April 28, 2022**. Given the limited time remaining to complete the review process, please do not re-submit the entire revision application. It is only necessary to respond to the specific items requested.

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,



Amy Eschberger
Environmental Protection Specialist



Encl: DRMS revised bond estimate

Cc: Richard Mittasch, Grand Island Resources, LLC
Patrick Lennberg, DRMS
Jared Ebert, DRMS
Michael Cunningham, DRMS

COST SUMMARY WORK

Task description: Cost Summary

Site: Cross Gold Mine

Permit Action: TR-10 2022

Permit/Job#: M1977410

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 4/28/2022

County: Boulder

Filename: M77-410

User: AME

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Filtration media (4 filters)(\$15 ea)(replace 4x/wk)(2 yrs)	NA	0	0.00	\$24,960
002	Polishing media (2 vessels)(\$21,000 ea)(replace 1x/yr)(2 yrs)	NA	0	0.00	\$84,000
003	Filtration system equipment (3)(\$300 ea)(replace 1x/20 yrs)	NA	0	0.00	\$900
004	Polishing system equipment (3)(\$1,500 ea)(replace 1x/20 yrs)	NA	0	0.00	\$4,500
005	Control valves (20)(\$30 ea)(replace 1x/10 yrs)	NA	0	0.00	\$600
006	In-plant piping (50 ft)(\$1.50/ft)(replace 1x/10 yrs)	NA	0	0.00	\$75
007	External piping (600 ft)(\$1.25/ft)(replace 1x/20 yrs)	NA	0	0.00	\$750
008	Instrumentation (12)(\$50 ea)(replace 1x/15 yrs)	NA	0	0.00	\$600
009	Water quality sampling and testing (24x/yr)(\$300 ea)(2 yrs)	NA	0	0.00	\$14,400
010	Inspection and sample collection (208 hrs/yr)(\$45/hr)(2 yrs)	NA	0	0.00	\$18,720
011	Data processing and reporting (24 hrs/yr)(\$75/hr)(2 yrs)	NA	0	0.00	\$3,600
012	Pipeline removal and disposal	DEMOLISH	1	8.00	\$3,552
<u>SUBTOTALS:</u>				8	\$156,657

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 0.00

Total = \$0

Performance bond: 0.00

Total = \$0

Job superintendent: 0.00

Total = \$0

Profit: 10.00

Total = \$15,666

TOTAL O & P = \$15,666

CONTRACT AMOUNT (direct + O & P) = \$172,323

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 5.00

\$8,616

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$24,282

TOTAL BOND AMOUNT (direct + indirect) = \$180,939

DEMOLITION WORK

Task description: Pipeline removal and disposal

Site: Cross Gold Mine

Permit Action: TR-10 2022

Permit/Job#: M1977410

PROJECT IDENTIFICATION

Task #: 012

State: Colorado

Abbreviation: None

Date: 4/27/2022

County: Boulder

Filename: M410-012

User: AME

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 102.20 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Water Pipeline Removal (725 ft secondary use)	725ftx6in diam	Pipe, sewer/water - 12 in. diameter pipe	725.00	LF	\$4.57	\$3,313.25
Water Pipeline Disposal	725ftx6in diam	Loading and 5 mile haul, salvage allowed - Steel frame structures	15.00	CY	\$10.85	\$162.75

Job Hours: 8.00

Subtotal
(unadjusted): \$3,476.00

Total Cost
(adjusted for location): \$3,552.47